RAJYA SABHA

Tuesday, the 27th November, 2007/6 Agrahayana, 1929 (Saka)

The House met at eleven of the clock,

MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

सरकारी बैंकों में सरकार की भागीदारी को कम करना

*161. **डा॰ मुरली मनोहर जोशी:††**
श्री राज मोहिन्दर सिंह मजीठा:

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि प्रधान मंत्री की आर्थिक सलाहकार परिषद के अध्यक्ष ने यह परामर्श दिया है कि देश के सार्वजनिक क्षेत्र के बैंकों में सरकार की भागीदारी का अंश घटाकर 51 प्रतिशत से कम किया जाए;

(ख) यदि हां, तो तत्संबंधी ब्यौरा क्या है और उक्त परामर्श के संबंध में सरकार की क्या प्रतिक्रिया है; और

(ग) सितम्बर, 2007 के अंत तक प्रत्येक सार्वजनिक बैंक में देशी व विदेशी निवेशकों की भागीदारी का अंश कितना-कितना था?

वित्त मंत्री (श्री पी॰ चिदम्बरम): (क) से (ग) एक विवरण राज्य सभा के पटल पर रख दिया गया है।

विवरण

(क) और (ख) जी, नहीं। तथापि, भारतीय वाणिज्य एवं उद्योग मंडल महासंघ द्वारा आयोजित ''विषय वस्तु संक्रमण प्रबंधन'' शीर्षक पर वैश्विक बैंकिंग पर एक सम्मेलन के उद्घाटन भाषण में प्रधानमंत्री के, आर्थिक सलाहकार परिषद के अध्यक्ष ने सरकारी क्षेत्र के बैंकों के पूंजी पर्याप्तता के संदर्भ में कुछ विचार व्यक्त किए थे। सरकारी क्षेत्र के बैंकों (पीएसबी) की तेजी से वृद्धि सुनिश्चित करने के लिए उन्होंने सुझाव दिया कि सरकार को या तो इन बैंकों में अतिरिक्त पूंजी लानी होगी या फिर अपने हिस्से को उपयुक्त वैधानिक परिवर्तनों द्वारा 51% से कम करना होगा अथवा ''सरकार'' की परिभाषा में ऐसी संस्थाओं का समावेश करना होगा, जो अर्द्ध-सरकारी जैसी प्रकृति की हों और भविष्य में जिसकी पूर्ण रूप से सरकारी स्वामित्व में आ जाने अथवा सरकारी प्रणाली का एक हिस्सा बन जाने की संभावना है।

सरकारी क्षेत्र के बैंकों [भारतीय स्टेट बैंक (एसबीआई) के सहयोगी बैंकों, जिनमें सरकार की कोई हिस्सेदारी नहीं है, के अलावा] में अपनी हिस्सेदारी 51% से कम करने के लिए सरकार को सक्षम बनाने के लिए किसी वैधानिक या अन्य प्रावधानों में परिवर्तन करने का कोई प्रस्ताव विचाराधीन नहीं है।

(ग) सितम्बर, 2007 के स्थिति के अनुसार, सरकारी क्षेत्र के बैंकों की शेयरपूंजी में निवासी और अनिवासी धारिता का हिस्सा विवरण-I में दिया गया है।

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††सभा में यह प्रश्न डा॰ मुरली मनोहर जोशी द्वारा पूछा गया।

विवरण-I

सितम्बर, 2007 के अंत की स्थिति के अनुसार सरकारी क्षेत्र के बैंकों में निवासियों और गैर-निवासियों की शेयरधारिता का प्रतिशत हिस्सा

(प्रतिशत में)

क्रम सं॰	बैंक का नाम	विवरण			
		सरकार (क)	अन्य निवासी* (ख)	निवासियों का कुल (=क + ख)	गैर-निवासियों का कुल#
1.	इलाहाबाद बैंक	55.23	25.22	80.45	19.55
2.	आन्ध्रा बैंक	51.55	29.16	80.71	19.29
3.	बैंक आफ बड़ौदा	53.81	25.39	79.20	20.80
4.	बैंक आफ इंडिया	69.47	13.35	82.82	17.18
5.	बैंक आफ महाराष्ट्र	76.77	15.02	91.79	8.21
6.	केनरा बैंक	73.17	9.50	82.67	17.33
7.	सेन्ट्रल बैंक आफ इंडिया	80.21	9.22	89.43	10.57
8.	कार्पोरेशन बैंक	57.17	32.62	89.79	10.21
9.	देना बैंक	51.19	34.02	85.21	14.79
10.	आईडीबीआई लि॰	52.69	46.68	99.37	0.63
11.	इंडियन बैंक	80	5.96	85.96	14.04
12.	इंडियन ओवरसीज बैंक	61.23	19.47	80.70	19.30
13.	ओरियंटल बैंक आफ कामर्स	51.09	29.97	81.06	18.94
14.	पंजाब एंड सिंध बैंक	100	0.00	100.00	0.00
15.	पंजाब नैशनल बैंक	57.8	22.12	79.92	20.08
16.	सिंडिकेट बैंक	66.47	21.16	87.63	12.37
17.	यूको बैंक	74.98	23.53	98.51	1.49
18.	युनियन बैंक आफ इंडिया	55.43	24.89	80.32	19.68
19.	युनाइटेड बैंक आफ इंडिया	100	0.00	100.00	0.00
20.	विजया बैंक	53.87	28.55	82.42	17.58
21.	स्टेट बैंक आफ बीकानेर एंड जयपुर	0	94.64	94.64	5.36
22.	स्टेट बैंक आफ हैदराबाद	0	100.00	100.00	0.00
23.	भारतीय स्टेट बैंक	59.73	20.45	80.18	19.82
24.	स्टेट बैंक आफ इन्दौर	0	100.00	100.00	0.00
25.	स्टेट बैंक आफ मैसूर	0	99.98	99.98	0.02
26.	स्टेट बैंक आफ पटियाला	0	100.00	100.00	0.00
27.	स्टेट बैंक आफ सौराष्ट्र	0	100.00	100.00	0.00
28.	स्टेट बैंक आफ त्रावणकोर	1.05	92.32	93.37	6.63

स्रोत: स्थलेतर विवरणियां (अनंतिम आंकड़े)

*अन्य निवासियों में वित्तीय संस्थाएं (निवासी), अन्य कारपोरेट (निवासी) और व्यक्ति (निवासी) शामिल हैं।

#गैर-निवासियों के कुल में वित्तीय संस्थाएं (गैर-निवासी), अन्य कारपोरेट (गैर-निवासी) और व्यक्ति (गैर-निवासी) शामिल हैं।

Reduction in Government Equity in Public Sector Banks

†*161. DR. MURLI MANOHAR JOSHI:††
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Chairman, Economic Advisory Council to Prime Minister has advised to reduce Government equity in Public Sector Banks in the country to less than 51 per cent;

(b) if so, the details in this regard and the reaction of Government in respect of this advice; and

(c) the share of Indian and Foreign investors' equity in each Public Sector Bank till the end of September, 2007?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) A Statement is laid on the Table of the Rajya Sabha.

(a) and (b) No, Sir. However, in his inaugural address at a Conference on Global Banking, entitled "Theme: Managing Transition" organized by Federation of Indian Chambers of Commerce and Industry, Chairman, Economic Advisory Council to the Prime Minister has made certain observations in the context of capital adequacy of the public sector banks. To ensure rapid growth of public sector banks (PSBs), he suggested that the Government may have to either bring in additional capital in these banks, or reduce its share below 51% through appropriate statutory changes, or include in the definition of the 'Government' such entities which are quasi-Government in nature and are likely to remain to be fully owned or an integral part of the Government system in the future.

There is no proposal under consideration to amend the statutory or other provisions for enabling the Government to bring down its shareholding in the PSBs, (other than Associate Banks of State Bank of India (SBI) where Government has no shareholding) to below 51%.

(c) The share of resident and non-resident holdings in the quity capital of PSBs, as at the end of September, 2007, is given in the enclosed statement-I.

Statement-I

Percentage share of Resident and Non-Resident holdings in Public Sector Banks as at the end of September, 2007

(in percentage)

Sl. No.	Bank Name	Particulars			
		Government (A)	Other Residents* (B)	Resident Total (=A +B)	Non-Resident Total#
1	2	3	4	5	6
1.	Allahabad Bank	55.23	25.22	80.45	19.55
2.	Andhra Bank	51.55	29.16	80.71	19.29
3.	Bank of Baroda	53.81	25.39	79.20	20.80
4.	Bank of India	69.47	13.35	82.82	17.18
5.	Bank of Maharashtra	76.77	15.02	91.79	8.21

†Original notice of the question was received in Hindi.

††The question was actually asked on the floor of the House by Dr. Murli Manohar Joshi.

1	2	3	4	5	6
6.	Canara Bank	73.17	9.50	82.67	17.33
7.	Central Bank of India	80.21	9.22	89.43	10.57
8.	Corporation Bank	57.17	32.62	89.79	10.21
9.	Dena Bank	51.19	34.02	85.21	14.79
10.	IDBI Ltd.	52.69	46.68	99.37	0.63
11.	Indian Bank	80	5.96	85.96	14.04
12.	Indian Overseas Bank	61.23	19.47	80.70	19.30
13.	Oriental Bank of Commerce	51.09	29.97	81.06	18.94
14.	Punjab & Sind Bank	100	0.00	100.00	0.00
15.	Punjab National Bank	57.8	22.12	79.92	20.08
16.	Syndicate Bank	66.47	21.16	87.63	12.37
17.	UCO Bank	74.98	23.53	98.51	1.49
18.	Union Bank of India	55.43	24.89	80.32	19.68
19.	United Bank of India	100	0.00	100.00	0.00
20.	Vijaya Bank	53.87	28.55	82.42	17.58
21.	State Bank of Bikaner & Jaipur	0	94.64	94.64	5.36
22.	State Bank of Hyderabad	0	100.00	100.00	0.00
23.	State Bank of India	59.73	20.45	80.18	19.82
24.	State Bank of Indore	0	100.00	100.00	0.00
25.	State Bank of Mysore	0	99.98	99.98	0.02
26.	State Bank of Patiala	0	100.00	100.00	0.00
27.	State Bank of Saurashtra	0	100.00	100.00	0.00
28.	State Bank of Travancore	1.05	92.32	93.37	6.63

Source: Off-site returns (Provisional data)

*Other Residents include Financial Institutions (Resident), Other Corporates (Resident) and Individual (Resident)

#Non-resident Total includes Financial Institutions (Non-resident), Other Corporates (Non-resident) and Individual (Non-resident)

DR. MURLI MANOHAR JOSHI: Sir, I am happy that the hon. Minister has made a statement that there is no proposal to reduce the equity of the public sector banks. But, what is the actual policy and intention of this Government? Will the hon. Minister assure the House that this Government will not reduce the Government's share in the PSBs and will not allow it to come down less than 51 per cent as it is today? And, what steps the Government intends to take so that adequate capital is available to the PSBs so that they can compete and grow not only in India but also compete with foreign banks and grow abroad?

SHRI P. CHIDAMBARAM: Sir, my good friend is smiling at me. So, I think, he is in a good today.

DR. MURLI MANOHAR JOSHI: Whenever I see your face, I am always in a good mood. But, it is only after your statements. I get into a bad mood.

SHRI P. CHIDAMBARAM: I think he takes it in good spirit. Coming to the question, Sir, it is the previous Government which had proposed that the equity should be reduced to 33 per cent. But, since this Government assumed office, I made it clear that the equity of the

Government in the public sector banks will not be reduced below 51 per cent. That statement stands. So, we have no proposal to reduce it to below 51 per cent.

Now, as far as providing more capital is concerned, guidelines have been issued by the Reserve Bank of India on what would be regarded as Tier-I capital. We have to meet the Basel-II Norms. The RBI's guidelines on Tier-I capital are being followed by banks. We have various options to raise the Tier-I capital, depending upon the factual situation with regard to each bank; we can use one alternative or the other. But, our policy is, we will ensure that all our banks have adequate capital strictly in accordance with the Basel-II Norms.

DR. MURLI MANOHAR JOSHI: Sir, the second supplementary is: If you allow more funds to come to the banks, it will be contributing towards inflation also. The appreciation of rupee has also a consequence on the capital market. So, may I ask the hon. Minister to inform the House about the steps being taken for making adequate micro economic management policies?

SHRI P. CHIDAMBARAM: Sir, there is another question which I have answered on the steps being taken to manage the monetary situation. But, briefly, there is, of course, a large flow—export earnings, remittances from workers, FDI, foreign institutional investment, private equity, etc.—of capital into India. All this, of course, is good if we can absorb the inflows and turn it into productive investment. But, since this question relates to banking, any capital that flows into bank enhances the bank's capital base. This, of course, is regulated by the RBI. It is not as though any one can buy the equity of any bank. There are very strict regulations. The FII's is capped at 20 per cent, no individual shareholder can buy more than 5 per cent without regulatory approval. Sir, the Government will never sell its equity so that it comes below 51 per cent. Therefore, there is no rush of capital into our banking system. Of course, there are foreign banks, to the extent they are permitted, they can bring in capital for their own operation. But the inflows into India are into different sectors. There is no uncontrolled inflow into the banking sector because the flow of capital to the banking sector is very strictly regulated by the RBI's guidelines.

DR. MURLI MANOHAR JOSHI: It is true that banks are guided by the RBI's guidelines. But when there is an inflow of capital and if it raises inflation, then, you control the banks' outflow for investments. My supplementary is this. This is a very complicated question of macro economic management. Will you inform us that the movement of rupee, inflows and adequate capital to banks will be adequately handled in terms of macro economic management?

SHRI P. CHIDAMBARAM: That is true. There are large inflows into other sectors, and if it is giving rise to inflationary expectations or giving rise to inflation, the RBI will have to make changes in the monetary policy, and changes in the monetary policy will indeed be reflected in the interest rates of banks. I entirely agree with what the hon. Member says. All I am pointing out is that this question concerns the capital in banks. My answer is, flow of capital into banks is strictly regulated, and the large inflows that we see, into some other sectors, does not really affect the banking sector. Of course, when we come to the other suppllementary, there is separate question which I will answer then.

DR. MURLI MANOHAR JOSHI: You can answer it right now.

SHRI P. CHIDAMBARAM: I do not know if the Chairman will permit me to answer beyond the scope of the question.

MR. CHAIRMAN: Shri Raj Mohinder Singh Majitha. Not present. Shri D. Raja.

SHRI D. RAJA: Sir, I am happy that the Minister has stated that there is no proposal to bring down the Government equity in public sector banks. It is true that the previous BJP Government tried to bring down the Government equity to 33 per cent. Now the UPA Government has

decided to keep it at 51 per cent. My supplementary is this. The World Bank Development Report says that the public sector banks are performing well in India. They are contributing to the country's development, and I am happy that the Finance Minister has acknowledged this fact. The Indian Bank, the United Bank of India, are all public sector banks. Once they were considered to be very weak. Now they have turned out to be very successful and they are doing well. Now, in this situation, the public sector banks are managing more than 20 lakh crores of capital. I want to ask of the hon. Minister: Is there any thinking with the Government to raise the Government equity in public sector banks up to 74 per cent?

SHRI P. CHIDAMBARAM: No, Sir. That would require a very large amount of funds. There are numerous claims on the Budget, like social sector, infrastructure, defence, etc. At the moment, there is no proposal to raise the proportion of Government equity in banks. But, as I said, there is also no proposal to lower it below 51 per cent.

DR. K. MALAISAMY: Sir, in the wake of macro policies like globalisation, liberalisation, privatisation, etc. I would like to ask of the well-informed hon. Minister as to: What is the Government's policy in the matter of disinvestments of public sector undertakings? How much was aimed at and how much was achieved? Were there any pulls and counter-pulls in the process of their disinvestments? If so, what is the way out of this?

SHRI P. CHIDAMBARAM: Sir, adapting the supplementary to the scope of the question before us, there is no proposal to disinvest Government equity below 51 per cent.

Disparity in per Capita Income

*162. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) what is the per capita income per month in the rural and urban India;

(b) whether it is a fact that there is wide gap in the capita income between the urban and rural India;

(c) if so, the details thereof and the reasons therefor; and

(d) what measures are being taken to remove this disparity?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (c) The available statistics on National Income, as estimated by Central Statistical Organisation, provide information in respect of per capita Net Domestic product separately for rural and urban areas at current prices for the base years of National Accounts Statistics. Therefore, estimates of per capita income (Net Domestic Product) separately for rural and urban areas available for the years 1970-71, 1980-81, 1993-94 and 1999-2000. Those are as follows:

Per capita income per Annum (Rs.)

Years	Rural	Urban	Ratio of Urban to Rural Per Capita Income
1970-71	529	1294	2.45
1980-81	1245	2888	2.32
1993-94	5783	13525	2.34
1999-2000	10606	30217	2.85